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FINANCIAL SITUATION OF UNIDO

Report by the Director-General

Summary

Provides information on the financial situation as at 30 June 1998 on the regular and operational budgets. In compliance with decision IDB.19/Dec.5, contains information on the progress achieved in the settlement of arrears and in the timely payment of assessed contributions.

1. The financial situation as at 30 June 1998 can be summarized in the following major points:

(a) The level of regular budget cash resources ($17.7 million, including the Working Capital Fund) compares favourably with 1997 ($11.3 million as at 30 June 1997);

(b) The rate of collection of current year assessed contributions of 61.8 per cent compares favourably with the same period for 1997 and 1996 (47.4 and 47.8 per cent, respectively);

(c) However, the collection rate of prior years' contributions (4 per cent) is less than in 1997 and 1996 (7.8 and 9 per cent, respectively);

(d) The Secretariat has communicated with Member States on payment plans for the settlement of outstanding assessed contributions;

(e) The cost of the staff separation programme is estimated at $10.4 million with disbursements to date of $9.1 million.

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(f) Technical cooperation delivery, operational budget income and expenditures are at lower-than-budgeted levels.

2. The status of assessed contributions to the regular budget is shown in the annex to the present document. Outstanding contributions comprise:

	US$
1986 to 1997	36,143,194
United States of America	60,781,177
1998	25,560,837
Total outstanding contributions	122,485,208

3. As indicated in the annex, the voting rights of 62 Member States have been suspended owing to arrears in payment of assessed contributions, including five members of the Board and four members of the Programme and Budget Committee.

4. In its decision IDB.19/Dec.5, the Board reaffirmed the principle of collective financial responsibility of all Member States and their obligation to pay their assessed contributions in full and on time. In that decision, the Board adopted the report of the open-ended discussion group on timely payment of assessed contributions and requested the Director-General to take forward the measures recommended therein.

5. On 8 June 1998, UNIDO communicated the group's recommendations and Board decision IDB.19/Dec.5 in a letter to Member States whose voting rights had been suspended. The combined arrears of those Member States total $30.06 million. Responses are now awaited to the Secretariat communication, which included a request to ascertain the interest of each Member State in settling its arrears under a payment plan, as decided by the Board.

6. Cash balances amount to $17.7 million. A comparison of the cash flow estimate as presented to Member States in January 1998 and the present status is shown in table 1. The financial status of the staff separation programme is shown in table 2. Table 3 indicates the status of the operational budget.

ACTION REQUIRED OF THE COMMITTEE

7. The Committee may wish to take note of the information contained in the present document.

Table 1. Regular budget cash flow, January to June 1998
(Millions of US dollars)

	Actual	Projected (January 1998)
Opening balance (1 January 1998)	13.5	11.8*
Receipts		
Assessed contributions		
- 1997 or prior years	2.7	6.9
- 1998	40.2	32.3
Other income	4.7	5.8
Total receipts	47.6	45.0
Disbursements		
Regular budget	26.3	33.9
Separation indemnity	9.1	10.7
1997 obligations	7.6	11.0
Movement in receivables/ payables	0.4	—
Total disbursements	43.4	55.6
Closing balance (incl. Working Capital Fund) (30 June 1998)	17.7	1.2

*$11.8 million was an estimated figure which was later adjusted to the actual year-end balance of $13.5 million.

Table 2. Staff separation programme
Financial status as at 30 June 1998

	Millions of US$
Amount authorized from 1994-1995 unutilized balances (GC.7/Dec.17)	13.9
Staff separation estimates for 1998	10.4
Disbursements to 30 June 1998	9.1

Table 3. Operational budget
Status as at 30 June 1998

	Millions of US$
Technical cooperation delivery	46.0
Reserve balance (1 January 1998)	4.2
Income	5.8
Expenditure	(6.8)
Reserve balance (30 June 1998)	3.2

Annex

STATUS OF ASSESSED CONTRIBUTIONS TO THE UNIDO REGULAR BUDGET

(As at 30 June 1998)

	Outstanding contributions (In equiv. US dollars) (at RoE: 12.40)[1]	*Year(s) outstanding*	*Status of voting rights*[2]
Afghanistan	57,431	1992(P)-1998	*NO*
Albania	66,092	1992(P)-1998	*NO*
Algeria	422,470	1996(P)-1998	
Angola	5,384	1998(P)	
Argentina	1,535,686	1996(P)-1998	
Armenia	753,761	1992-1998	*NO*
Austria	-		
Azerbaijan	1,118,457	1993-1998	*NO*
Bahamas	31,693	1997(P)-1998	
Bahrain	-		
Bangladesh	88	1998(P)	
Barbados	6,678	1998(P)	
Belarus	1,437,338	1995(P)-1998	*NO*
Belgium	-		
Belize	6,544	1998	
Benin	5,897	1998	
Bhutan	17,936	1996(P)-1998	
Bolivia	68,363	1991(P)-1998	*NO*
Bosnia and Herzegovina	202,750	1992-1998	*NO*
Botswana	-		
Brazil	7,071,027	1995(P)-1998	*NO*
Bulgaria	72,900	1998	
Burkina Faso	80,709	1990(P)-1998	*NO*
Burundi	50,618	1993(P)-1998	*NO*
Cambodia	30,326	1995(P)-1998	*NO*
Cameroon	2,597	1998	
Cape Verde	74,816	1991(P)-1998	*NO*
Central African Republic	90,791	1989(P)-1998	*NO*
Chad	75,103	1991-1998	*NO*
Chile	163,041	1996(P)-1998	
China	702,448	1998	
Colombia	-		
Comoros	110,795	1986-1998	*NO*
Congo	85,459	1989(P)-1998	*NO*
Costa Rica	73,549	1991(P)-1998	*NO*
Côte d'Ivoire	-		
Croatia	456,410	1995(P)-1998	*NO*
Cuba	160,439	1996(P)-1998	
Cyprus	-		
Czech Republic	-		

	Outstanding contributions (In equiv. US dollars) (at RoE: 12.40)[1]	*Year(s) outstanding*	*Status of voting rights*[2]
Democratic People's Republic of Korea	348,460	1992(P)-1998	*NO*
Democratic Republic of the Congo	84,623	1989(P)-1998	*NO*
Denmark	-		
Djibouti	74,837	1991(P)-1998	*NO*
Dominica	64,072	1992(P)-1998	*NO*
Dominican Republic	243,153	1986-1998	*NO*
Ecuador	101,763	1995(P)-1998	*NO*
Egypt	72,431	1998	
El Salvador	99,215	1988-1998	*NO*
Equatorial Guinea	110,795	1986-1998	*NO*
Eritrea	21,871	1996(P)-1998	
Ethiopia	17	1998(P)	
Fiji	10,809	1997(P)-1998	
Finland	-		
France	5,998,347	1998	
Gabon	44,725	1995(P)-1998	*NO*
Gambia	67,229	1991(P)-1998	*NO*
Georgia	1,296,850	1992-1998	*NO*
Germany	4,272,062	1998(P)	
Ghana	13,641	1997(P)-1998	
Greece	-		
Grenada	78,301	1990(P)-1998	*NO*
Guatemala	175,607	1990(P)-1998	*NO*
Guinea	43,542	1994(P)-1998	*NO*
Guinea-Bissau	95,516	1988(P)-1998	*NO*
Guyana	-		
Haiti	6,351	1998	
Honduras	68,239	1991(P)-1998	*NO*
Hungary	-		
India	138,124	1998(P)	
Indonesia	131,996	1998	
Iran (Islamic Republic of)	1,312,579	1996(P)-1998	
Iraq	1,138,733	1990(P)-1998	*NO*
Ireland	-		
Israel	-		
Italy	-		
Jamaica	6,678	1998(P)	
Japan	-		
Jordan	-		
Kazakhstan	334,473	1997-1998	
Kenya	4,722	1998(P)	
Kuwait	177,774	1998	
Kyrgyzstan	296,047	1993-1998	*NO*
Lao People's Democratic Republic	-		
Lebanon	-		
Lesotho	6,678	1998	
Liberia	83,599	1990-1998	*NO*
Libyan Arab Jamahiriya	804,283	1995(P)-1998	*NO*

	Outstanding contributions (In equiv. US dollars) (at RoE: 12.40)[1]	*Year(s) outstanding*	*Status of voting rights*[2]
Lithuania	572,585	1994(P)-1998	*NO*
Luxembourg	-		
Madagascar	14,287	1997(P)-1998	
Malawi	20,874	1996(P)-1998	
Malaysia	133,822	1998	
Maldives	15,684	1996(P)-1998	
Mali	44,018	1994(P)-1998	*NO*
Malta	-		
Mauritania	93,020	1988(P)-1998	*NO*
Mauritius	6,678	1998	
Mexico	405,355	1998(P)	
Mongolia	-		
Morocco	-		
Mozambique	-		
Myanmar	6,678	1998	
Namibia	6,540	1998	
Nepal	617	1998(P)	
Netherlands	-		
New Zealand	-		
Nicaragua	110,795	1986-1998	*NO*
Niger	74,847	1991(P)-1998	*NO*
Nigeria	220,841	1997(P)-1998	
Norway	-		
Oman	-		
Pakistan	53,418	1998	
Panama	21,004	1996(P)-1998	
Papua New Guinea	14,627	1997-1998	
Paraguay	6,678	1998	
Peru	170,917	1996(P)-1998	
Philippines	49,691	1998(P)	
Poland	-		
Portugal	267,645	1998	
Qatar	85,676	1997(P)-1998	
Republic of Korea	51,372	1998(P)	
Republic of Moldova	689,360	1993(P)-1998	*NO*
Romania	140,221	1998(P)	
Russian Federation	9,586,879	1996(P)-1998	
Rwanda	54,710	1993(P)-1998	*NO*
Saint Kitts and Nevis	33,116	1995(P)-1998	*NO*
Saint Lucia	-		
Saint Vincent and the Grenadines	90,319	1989(P)-1998	*NO*
Sao Tome and Principe	110,795	1986-1998	*NO*
Saudi Arabia	2,428,631	1995(P)-1998	*NO*
Senegal	392	1998	
Seychelles	62,703	1992(P)-1998	*NO*
Sierra Leone	76,214	1990(P)-1998	*NO*
Slovakia	-		
Slovenia	146,580	1997-1998	

	Outstanding contributions (In equiv. US dollars) (at RoE: 12.40)[1]	*Year(s) outstanding*	*Status of voting rights*[2]
Somalia	110,795	1986-1998	*NO*
Spain	-		
Sri Lanka	-		
Sudan	6,455	1998	
Suriname	22,135	1996(P)-1998	
Swaziland	-		
Sweden	1,147,846	1998	
Switzerland	-		
Syrian Arab Republic	60,634	1997(P)-1998	
Tajikistan	233,789	1993-1998	*NO*
Thailand	118,700	1998	
The former Yugoslav Republic of Macedonia	19,794	1996(P)-1998	
Togo	56,058	1993(P)-1998	*NO*
Tonga	-		
Trinidad and Tobago	62,321	1996(P)-1998	
Tunisia	-		
Turkey	361,240	1998	
Turkmenistan	142,337	1995-1998	*NO*
Uganda	38,63[illegible]	1994(P)-1998	*NO*
Ukraine	7,574,098	1994(P)-1998	*NO*
United Arab Emirates	423,747	1996(P)-1998	
United Kingdom of Great Britain and Northern Ireland	-		
United Republic of Tanzania	58,640	1992(P)-1998	*NO*
Uruguay	49,536	1997(P)-1998	
Uzbekistan	420,604	1996(P)-1998	
Vanuatu	61,285	1992(P)-1998	*NO*
Venezuela	146,145	1998	
Viet Nam	7,611	1997(P)-1998	
Yemen	80,205	1991(P)-1998	*NO*
Yugoslavia[3]	1,725,206	1990(P)-1998	*NO*
Zambia	36,210	1994(P)-1998	*NO*
Zimbabwe	6,678	1998	
Subtotal (168 Member States)	61,704,031		
United States of America[4]	60,781,177	1994(P)-1996	*NA*
Total	**122,485,208**		

Summary of outstanding contributions by year:

	Dollars	Schillings	Total dollar equivalent (at RoE: 12.40)
1986	45,081		45,081
1987	47,561		47,561
1988	74,584		74,584
1989	100,250		100,250
1990	493,637		493,637
1991	760,201		760,201
1992	1,022,527		1,022,527
1993	1,472,822		1,472,822
1994	10,032,748		10,032,748
1995	36,543,033		36,543,033
1996	3,871,616	366,256,682	33,408,437
1997	1,497,663	141,680,487	12,923,490
1998	4,461,052	261,637,540	25,560,837
Total	**60,422,775**	**769,574,709**	**122,485,208**

Notes:

(P) Partial payment

1. RoE—Rate of Exchange: According to financial rule 110.7, all UNIDO transactions, in currencies other than United States dollars, shall be recorded at the official rate of exchange established by the United Nations between the dollar and other currencies.

2. The voting rights of 62 Member States have been suspended.

3. In accordance with General Conference resolution GC/S.1/Res.1, the Federal Republic of Yugoslavia (Serbia and Montenegro) cannot continue automatically the membership of the former Socialist Federal Republic of Yugoslavia in UNIDO. Board decision IDB.19/Dec.5 on payment plans was not communicated to this country.

4. Member State of UNIDO until 31 December 1996.